

## Message Text

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ACTION PM-07

INFO OCT-01 EA-11 ISO-00 CIAE-00 H-03 INR-10 L-03 NSAE-00

NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20 USIA-15 OMB-01

COME-00 TRSE-00 EB-11 AID-20 IGA-02 MC-02 ACDA-19

DRC-01 /142 W

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P 250836Z APR 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 2977

INFO SECDEF WASHDC

CINCPAC

CHJUSMAG PHIL

C O N F I D E N T I A L MANILA 4840

E.O. 11652: GDS

TAGS: MASS, BEXP, RP

SUBJECT: US-ASSISTED PHILIPPINE RIFLE MANUFACTURING PROJECT

REF: A. STATE 072725; B. MANILA 4381; C. STATE 081620

1. APPRECIATE VERY CANDID DEPARTMENT COMMENTS REF C ON  
MOU PROVISIONS, SOME OF WHICH WOULD HAVE BEEN ESPECIALLY  
HELPFUL TO COUNTRY TEAM IN FORMULATING OUR RESPONSE TO  
REF A.

2. COUNTRY TEAM HAS FOLLOWING ADDITIONAL COMMENTS/  
CLARIFICATIONS REGARDING DRAFT MOU:

(A) PARAGRAPH 7 REFTTEL B WAS MEANT TO APPLY ONLY TO  
MOU PARAGRAPH 6(2)(F) WHICH APPEARS TO OBLIGATE GOP TO  
UNDERTAKE PROGRAM EVEN IN THE EVENT THAT THE USG IS  
UNABLE TO PROVIDE FMS DIRECT OR USG GUARANTEE OF  
PRIVATE CREDIT. WE MAINTAIN THAT MOU PARAGRAPH  
6(2)(F) IS UNNECESSARY, PROBABLY UNENFORCEABLE AND  
POTENTIALLY HIGHLY OFFENSIVE. WE STRONGLY RECOMMEND  
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ITS DELETION.

(B) LANGUAGE OF MOU PARAGRAPH 9 CONTRADICTS PROVISION OF COLT-GOP CONTRACT WHICH ALREADY AUTHORIZES THE GOP TO INTRODUCE INNOVATIVE CHANGES WITH THE PRIOR WRITTEN APPROVAL OF COLT. WE SUGGEST PARAGRAPH 9 BE REDRAFTED IN SUCH A WAY AS TO PERMIT DULY APPROVED INNOVATION WHICH, AFTER ALL, COULD IN THE LONG RUN BENEFIT THE USG. (SEE ARTICLE II OF COLT-GOP LICENSE AGREEMENT FOR DETAILS).

3. REQUEST CONFIRMATION THAT MOU PARAGRAPH 6(2)(F) MAY BE DELETED AND APPROPRIATE NEW LANGUAGE FOR MOU PARAGRAPH 9.

4. IN ANTICIPATION QUESTIONS FROM GOP, WOULD APPRECIATE CONFIRMATION THAT M-16 PRODUCTION IN BOTH KOREA AND SINGAPORE IS COVERED BY GOVT-TO-GOVT AGREEMENTS SPECIFICALLY INCORPORATING CO-PRODUCTION CONCEPT AND TERM CO-PRODUCTION.

PURNELL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ARMS, MILITARY ASSISTANCE, PROGRAMS (PROJECTS), CREDIT AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 APR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974MANILA04840  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740097-0839  
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**Office:** ACTION PM  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** A. STATE 072725; B. MANILA 4381; C., STATE 081620  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <07-Aug-2002 by worrelsw>; APPROVED <14 FEB 2003 by GolinoFR>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** US-ASSISTED PHILIPPINE RIFLE MANUFACTURING PROJECT  
**TAGS:** MASS, BEXP, RP, US  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005